

Income/Franchise:

Ohio: Release Addresses Legislative Changes on Municipal Net Profit Tax and Remote Workers

Press Release: Municipal Net Profit Tax Information Release MNP 2024-01, Ohio Dept. of Tax. (3/6/24). The Ohio Department of Taxation (Department) issued a press release advising impacted taxpayers and municipalities of recent law changes made by operating budget legislation enacted last year [see H.B. 33 (2023) and previously issued Multistate Tax Alert for more details on this legislation] related to the municipal net profit tax as administered by the Department. Specifically, the release addresses how some taxpayers can make an election to use a modified Ohio municipal income tax apportionment formula with respect to net profits attributable to the activities of remote employees and owners for taxable years ending on or after December 31, 2023. The modified formula generally assigns the remote employees' or owners' property, payroll, and receipts to a "qualifying reporting location," which is determined using a hierarchy of locations starting with the place where an employee performs services for the business on a regular or periodic basis. Please contact us with any questions.

URL: https://tax.ohio.gov/static/muni-net-profit/information-releases/2024-01_MNPT_HB33_info_release-3.2024.pdf

URL: <https://www.legislature.ohio.gov/legislation/135/hb33>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-ohio-passes-fy2024-fy2025-operating-budget-enacting-various-tax-changes.pdf>

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